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ARTICLES:

(1) Japan, U.S. reach basic agreement on seeking arrest of U.S. military deserters from municipal and prefectural police

NIKKEI (Page 19) (Full)  
Eve., April 11, 2008

It was learned today that in the wake of a murder in Yokosuka City,

Kanagawa Prefecture, by a U.S. military deserter, the Japanese and American governments have reached a basic agreement for the U.S. side to inform the Japanese side with all information about deserters who flee U.S. bases. Foreign Minister Koumura revealed this at a press conference after a cabinet meeting. He said that when the information was provided, the U.S. would request the prefectural or municipal police in the concerned locality to arrest (taihou) the deserter.

According to Foreign Minister Koumura, the plan will be formally decided soon at a Japan-U.S. Joint Committee meeting. Under the current Status of Forces Agreement (SOFA), there is no obligation on the U.S. side to inform the Japanese side information on deserters. The suspect who was arrested for the murder of a taxi driver in Yokosuka City was a deserter, but the U.S. side never informed the Japanese side about the deserter until the incident occurred.

After the incident, Foreign Minister Koumura and U.S. Ambassador to Japan Schieffer agreed that the way information was shared about deserters should be improved. This measure does not require a revision of the SOFA but can be dealt with by improving the SOFA's operation.

According to the Foreign Ministry, the U.S. forces consider a soldier a deserter when that person leaves his or her unit without permission for more than thirty days. It is the same as saying "when an individual has been confirmed as no longer under the control of the military." For that reason, it is also possible that even though the whereabouts of the soldier may be unknown, until the soldier is declared a deserter, no report would be sent to the Japanese side.

In criminal cases, even though there is nothing comparable to the crime of desertion that exists under the special criminal law that

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accompanies the implementation of the Japan-U.S. SOFA, if there is a request from the U.S. side to arrest (the deserter), there are provisions allowing the Japanese side to arrest the individual if the U.S. requests such.

(2) U.S. military housing construction likely to spark controversy in Iwakuni

ASAHI (Page 5) (Abridged)  
April 10, 2008

There is another problem cropping up in Yamaguchi Prefecture's Iwakuni City, which hosts the U.S. Marine Corps' Iwakuni Air Station. The government is looking into the possibility of building quarters for Iwakuni-based U.S. military personnel on a flattened basin in the city's hillside part. Meanwhile, the waterfront Iwakuni base is now being extended to an offshore landfill reclaimed from the sea. Yamaguchi Prefecture and Iwakuni City developed the hillside area to use dirt there for the offshore extended landfill and planned to prepare large-scale residential sites in that area. However, this project failed. Instead, the developed land is now being considered for U.S. military housing. The city is now in the economic doldrums, while the Iwakuni base's buildup is going on. What lies behind this is the Iwakuni base's presence that has edged out the local business community and fettered the local economy.

The Iwakuni base's offshore extension is to be completed by the end of fiscal 2008. After that, the Iwakuni base will be markedly reinforced with a wing of 59 carrier-borne fighter jets to be relocated from the U.S. Navy's Atsugi base in Kanagawa Prefecture. As if to overlap this timetable, the housing construction plan for U.S. military personnel came up.

The most likely candidate site for the prospective construction of housing for U.S. military personnel is in Atagoyama, a hillside area across the JR Sanyo line and on the opposite side of the Iwakuni base. Dirt was gathered there for the base-contiguous landfill. Yamaguchi Prefecture and Iwakuni City once planned a joint venture project for housing developments. However, the plan hit a setback due to the infeasibility of local demand for housing. As a result, the prefecture and the city are now saddled with a total debt of

25.1 billion yen. Atagoyama has flatlands covering a total area of 60 hectares. Iwakuni City decided to sell 45 hectares to the government. The Defense Ministry says this Atagoyama area is "a likely candidate site for U.S. military housing."

Many of the local communities near Atagoyama were opposed to that move. Jungen Tamura, a member of Iwakuni City's municipal assembly, lives near Atagoyama. "The government might have expected the housing development project's setback," Tamura said. Former Iwakuni Mayor Katsusuke Ihara, who was defeated in this February's mayoral election, says there would be a "big campaign" against the housing construction plan.

In February, a group of local residents instituted a class action lawsuit for a court injunction to revoke the Yamaguchi governor's approval of the Iwakuni base's offshore extension. One of the plaintiffs, Toshio Fujikawa, 60, was an engineer of the Iwakuni-based Teijin group. "We can't forgive the government's foul play." So saying, Fujikawa voiced his anger.

The offshore extension project was originally intended to avoid the  
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risk of aircraft crashes and also to abate the noise of aircraft. It was an "earnest wish" of the city's local communities. According to former Iwakuni Mayor Yoshimitsu Kifune, the base's landed portion, which is equivalent to the offshore landfill, was to have been returned to the city.

In 1996, Yamaguchi Prefecture approved the government's proposal of offshore reclamation for the Iwakuni base's offshore extension. The government disbursed 240 billion yen. The offshore reclamation site, currently covering an area of 574 hectares, will be enlarged with an additional landfill of 213 hectares. However, the government will return only 5 hectares. "There will be more new facilities," a senior official of the Defense Ministry said. The government is also planning to construct a large berth with a depth of 13 meters for battleships. The earnest wish of local people has been ignored. Fujikawa and other local residents therefore went to court.

(3) Editorial: Six-party talks: Do not give in on complete declaration of nuclear programs

TOKYO SHIMBUN (Page 5) (Full)  
April 11, 2008

There have been some new developments in the six-party talks on the North Korean nuclear issue. A declaration of all nuclear programs means no omissions. Japan, the United States, and South Korea must step up their cooperative relations so as not to create problems for the future.

Following U.S.-DPRK talks in Singapore, delegates to the six-party talks met in Beijing. There, the U.S. delegate simply reported that "there are many things that must be done before reaching a final settlement" on the question of presenting a declaration of nuclear programs, now in focus.

It has been six months since the six-party members reached an agreement on the second-phase actions for the denuclearization of North Korea. North Korea was supposed to disable the Yongbyon nuclear facility and declare all its nuclear programs by the end of 2007.

The disablement is in progress, albeit slow. Pyongyang has yet to make a declaration, which holds the key to the denuclearization of North Korea. It is more than three months overdue.

As a party to the agreement, the North must fulfill its responsibility. Pyongyang must deliver on its promise at the earliest possible time.

In the U.S.-DPRK talks, the two countries seem to have agreed to produce an unofficial document specifying the North's uranium enrichment program and its nuclear cooperation with Syria.

The amount of plutonium held by North Korea is one of the differences (in claims between North Korea and the United States). The North has reportedly admitted storing only two-thirds of what the United States estimates. A concession must not be made easily in this area.

Under the agreement reached last November, the North is required to present a "full, complete and correct" declaration of its nuclear programs.

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At the same time, as a result of the Singapore meeting, the North has also reportedly agreed on a political compensatory measure by the United States and a declaration of its nuclear programs. A compensatory measure seems to imply delisting the North as a state sponsor of terrorism.

True, the delisting is specified in the agreement, though as a step in normalizing relations between the United States and North Korea. The Japanese government has repeatedly asked the United States to handle the matter carefully until the abduction issue is settled. We hope the United States will keep that in mind.

Further, the working group on normalizing Japan-DPRK relations has not met since last September. The government will decide at a cabinet meeting today to extend its economic sanctions against the North for another six months. Given slow progress on the nuclear and abduction issues, such a step seems only natural.

To break the gridlock, close cooperation between Japan, the United States and South Korea, as well as China, is indispensable.

Fortunately, in South Korea's parliamentary elections, the ruling party led by President Lee Myung Bak, who advocates a pragmatic and reciprocity approach toward North Korea, has won a majority. Starting next week, President Lee is also scheduled to visit Japan and the United States to hold summit talks. It will be a golden opportunity to rebuild cooperative relations.

(4) Politics malfunctioning (Part 4-conclusion) - Interview with former Prime Minister Yasuhiro Nakasone: Bitter rivalry between party heads essential to break political stalemate

NIKKEI (Page 1) (Slightly abridged)  
April 11, 2008

-- It has become a problem that nothing is being decided in the divided Diet.

Nakasone: Prime Minister Fukuda may be an introvert. He is a person who tries to keep driving safely. He lacks aggressiveness and is slow to take action, for he prefers the status quo. It is often the case that any cabinet whose approval ratings fall to the 20 PERCENT level will resign within one year according to precedent. The question is how he will recover from this situation.

(The major opposition Democratic Party's (DPJ) President) Ichiro Ozawa has yet to focus on what he should focus on. The government failed to promptly cope with the nomination of a Bank of Japan (BOJ) governor, the refueling service to the U.S. forces in the Indian Ocean, and the collision of a Self-Defense Forces (SDF) vessel and a fishing boat, but what Mr. Ozawa did in dealing with them was no more than simply denouncing the government. He was unable to come up with a clear goal and an ideal and show them to the public. Certainly, there is a problem about the ruling Liberal Democratic Party (LDP), but the DPJ's response to the government has also caused politics to be adrift.

Fierce battle likely to come after G-8 Summit

-- What do you think is a good idea to break the political impasse?

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Nakasone: I presume the primary reason for it stems from the character of the heads of the LDP and the DPJ. The DPJ leader tends to be self-righteous and favor solitude, so it would be difficult for him to organize a coalition among the opposition parties. Meanwhile, the LDP leader is quiet and inward-looking. The heads of the parties need to engage in rivalry in order for them to shift to a two-party system.

-- There are no signs, however, of someone emerging to replace the two in either party.

Nakasone: The LDP wants to keep its current two-thirds majority in the Lower House, so it is unlikely that the party will make a move to dissolve the Lower House even after the G-8 Toyako Summit. Meanwhile, I think Mr. Ozawa can't attack (the Fukuda administration) in a blunt manner before the G-8 Summit, for the summit greatly concerns the state's honor. I think this has in a way helped the Fukuda administration. If the administration makes a political misstep, that could lead to calls for a resignation of the Fukuda cabinet growing in the LDP. I wonder whether the Fukuda cabinet is the one that will make a serious blunder.

-- It seems necessary to consider measures to resolve the current divided Diet by forming a partial coalition before the next Lower House election.

Nakasone: Mr. Ozawa's term of office as president of the DPJ is to expire in one year. He is less likely to move to form a cabinet in cooperation with the LDP unless he thinks doing so will be very advantageous for his party. Meanwhile, the LDP can't easily move to do so, given the question of whom it will endorse as candidates. Given these things, the current lopsided Diet will not be resolved so easily. After the G-8 Summit, the political situation in Japan is likely to head for a dissolution of the Lower House in one year.

Good opportunity for diplomacy now lost

-- The dysfunction in politics is greatly affecting diplomacy.

Nakasone: Japan has been placed in a good environment on the diplomatic front, for China and South Korea have turned their previous policies toward Japan around and have now become friendly to Japan. On the part of Japan, it's high time to positively collaborate with them to deal with economic and security issues in East Asia. But Japan lacks policy. It seems to me that Japan in this sense has lost a very good opportunity. This has led to lowering Japan's international status. Seeing America's response to Japan, I even feel that the United States has been losing enthusiasm toward Japan.

#### Commentary

Hiroyuki Akita

Why has politics become dysfunctional? Is this an unavoidable phenomenon under the divided Diet? Or is it attributable to the leaders' inability to overcome the current situation? Nakasone takes the latter view. In the interview, Nakasone repeatedly took a critical view of Fukuda's and Ozawa's insufficient leadership capabilities.

It may be time to stop blaming the divided Diet for its failure to

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decide anything. It is true that the divided Diet shackles debate on bills, but if the prime minister is bold enough to demonstrate his leadership and then the opposition parties, including Ozawa, take a broad view, they can keep politics from continuing to be stalled.

(5) Discussion of distribution of cloned cows begins in Japan but lack of debate over their safety

Shintaro Sugahara

Discussion of domestic distribution of cows cloned from somatic cells, which are still in the research phase, and discussion of procedures for distribution have begun in Japan, following a series of reports confirming the safety of cloned cows released by U.S. authorities and European and Japanese research institutions. But there are questions left to be resolved, such as the high death rates. Many point out the lack of debate on ethical aspects and legal steps. Once the Cabinet Office's Food Safety Commission (FSC) decides that cloned cows are safe, their distribution for human consumption could begin without a full debate.

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"The Japanese public is not positive about cloned cows. Their death rates are also high." One FSC member made this comment at an FSC meeting on April 3.

According to a report by the National Institute of Livestock and Grassland Science (NILGS), which is under the supervision of the Ministry of Agriculture, Forestry and Fisheries (MAFF), the still-birth rate of ordinary cows was 4.6 PERCENT but that of cloned cows was 16.4 PERCENT. The rate of death from disease for 2-day-old to 150-day-old ordinary cows was 4.3 PERCENT with that of cloned cows 23.5 PERCENT.

The report, however, notes that "the gap seems to shrink 200 days after birth", and concludes that "there was no biological difference." The report cites one of the causes of death as a breathing disorder, but it is unknown why such a disorder arises.

"Why can it confirm the safety even if it is unable to grasp the reasons." This concern was voiced by Hiroko Mizuhara, secretary general of the consumer organization Food Safety Citizens' Watch (FSCW).

After discussion of cloned animals at the government's Council for Science and Technology Policy in 1997, Japan decided to study cloned animals on the grounds that studying cloned animals is of great significance, that doing so does not directly concern ethical questions involving human beings, and that Japan will promote such studies appropriately.

Meanwhile, however, there is a deep-seated criticism in Japan that ethical questions are not discussed in ways understandable to the general public.

A small number of cows cloned from embryonic stem cells instead of somatic cells are already distributed on the ground that they are almost the same as twins, but there was a strong backlash from the

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public when the distribution of such cows came to light. Even genetically-modified food meets with "a strong rejection from consumers," an importer said. So such food is hardly distributed in Japan.

Cloning technology makes it possible to massively "copy" cows of the same quality. This means that it makes high-grade wagyu beef, which is highly expensive, available to general consumers at low prices.

Livestock farmers, however, are less interested in cloned cows because of the expensive cost. MAFF notes that breeding cattle in a normal way is less costly at present.

Furthermore, discussion has not been held on such questions as to how to label cloned cows when they are distributed. And will it be required to show cows cloned from somatic cells or what channels will be allowed for their distribution? Meanwhile, because Japan lacks any import restrictions on cloned cows, they may come in from other countries. Japan now faces the need to discuss measures swiftly on how to deal with cloned cows.

(6) Will China, "the world's factory," change?

The yuan hit the 6 to the dollar line yesterday, breaking 7. The value of the Chinese currency has been surging since last fall because the People's Bank of China (central bank) has allowed a stronger yuan leading to lower import prices, with the aim of reducing inflation. The additional factor is the global decline in the value of the U.S. dollar. The yuan's rise, which is likely to continue for some time, is bound to take a toll on Japanese companies with production bases in China. Will China as "the world's factory" that has been growing due to exports now change?

#### Japanese companies shifting production bases for low costs

Since the 1990s, Japanese companies have been providing inexpensive products to countries across the world, including the world's largest market, the United States, by manufacturing them in China. The yuan's further appreciation against the dollar will push up prices of products made in China for exports and force Japanese companies to review this model.

In the textile industry, domestic production has reportedly been replaced largely by Chinese production. A person in charge of a major trading firm undertaking production in China for a large Japanese apparel maker said: "The yuan's value against the dollar has risen nearly 20 PERCENT since three years ago. To add insult to injury, labor costs have also increased 20 PERCENT ."

At present, against the Japanese yen, the yuan is not as strong as against the U.S. dollar, so the prices of Japan-bound products are less affected. But the weak-dollar-strong-yen trend could change anytime. The yuan's appreciation against the yen would elevate import prices, thereby affecting Japan significantly. The aforementioned person took this view: "It would be difficult for apparel makers in Japan to raise prices, and some companies would find it difficult to keep up production."

The approach called "China plus one" to secure a production center  
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in addition to China in anticipation of risk factors is becoming a mainstream tactic. An Itochu Corp. source explained, "Being close to the Japanese market, China keeps an advantageous position. Still, shifts to Vietnam and Thailand are also underway." For the Western markets, production in India is also an option, according to the source.

Following the frozen dumpling poisoning case in January, the food industry is also reviewing its heavy reliance on China. In February, Prima Meat Packers, Ltd. decided to build its first ham and sausage factory in 13 years in Thailand. "We have considered factors comprehensively, such as rising costs in China and diversifying safety risks," a company executive said.

Many electronics companies assemble their products in China. Although the yuan's rise adversely affects exports, a Sony representative said, "We still don't regard it as a risk factor." The reason is because sales in the Chinese market is large and also because in many cases, core components to be assembled in China come from abroad. But the company is unable to read the yuan's effects in the future.

According to the Japan External Trade Organization (JETRO), Japan's investment in China peaked in 2005 at 6.53 billion dollars and dropped to 3.59 billion dollars in 2007. China and North Asia Division Chief Minoru Arahata noted: "There is a possibility that the manufacturing industry's method of producing products in China for exports will decline while the approach of selling products in the Chinese market will gain momentum on the back of the yuan's rise."